

DANBURY HOSPITAL
NEW MILFORD HOSPITAL



**TESTIMONY OF
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WESTERN CONNECTICUT HEALTH NETWORK
DANBURY, NEW MILFORD AND NORWALK HOSPITALS
SUBMITTED TO THE
FINANCE, REVENUE AND BONDING COMMITTEE
TUESDAY, APRIL 21, 2015
HB 7058, An Act Concerning The Hospital Tax**

Thank you for this opportunity to submit testimony in support of **HB 7058, An Act Concerning The Hospital Tax**. As a not-for-profit, mission-driven health system, our member hospitals of the Western Connecticut Health Network - Danbury, New Milford and Norwalk Hospitals are open to all comers, 24/7 every day and night of the year to serve those who need our help.

At a time when our organizations are under many pressures from new reform mandates, a changing inpatient to outpatient healthcare landscape and our own desire to perform our jobs better and more efficiently than the day before, I am very concerned for our patients, our programs and our people by the State's tax on patient care.

In my role for the hospitals, I have the pleasure of seeing our work first-hand in the community at the various health screenings, clinic settings and through interaction with community partners working with us to improve the health of our residents. I also see the needs of the poor, chronically mentally ill and the undocumented go unmet as clinics lack capacity with shortened hours and the Emergency Department is a primary care home for many, and on some recent winter nights, even a shelter from the cold.

The very nature of our mission-driven organization is to serve anyone who needs our help. In order to do that, we need to be fiscally sound. We plan for that stability seeking a conservative 3% margin, that allows us reinvest in aging facilities, new talent and technology and pay down our debt-especially our pension obligation. This margin gives us a strong rating and allows us to borrow reasonably. However,

our conservative margin is eaten up by our mandated tax due and now we are facing additional taxes proposed-all at a time when our revenue is down substantially. We are still struggling to find the dollars to absorb the current tax and now the Administration is proposing additional taxes July 1, 2015. As a not-for-profit hospital, we are paying more than \$31 million in hospital taxes. If we were a for-profit, our tax liability on revenues would be a great deal less at an estimated \$6 million. I don't understand why hospitals are being asked to subsidize a State budget that puts their patients and their people at risk?

Thank you for raising this bill and considering our request. I urge you to preserve patient care, protect jobs, and reduce the cost of health care in Connecticut. Support HB 7058.

Thank you for your consideration of our position. For additional information, please don't hesitate to contact me at (203) 739-7919.